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SUBJECT: MFA ON UPCOMING DC ROUND OF BILATERAL TALKS

Classified By: A/EcoPol Chief Brian Quigley for reasons 1.4 (b)(d)

¶1. (C) Summary: Vice Foreign Minister Hugo Fernandez told Charge June 4 that he would confirm the timing of D.C.-based bilateral talks with UN Charge Pablo Solon. Fernandez urged that President Obama reverse suspension of ATPDEA trade preferences for Bolivia by June 30. Fernandez said it would be difficult to make significant new progress on counternarcotics (CN) before June 30, but that the CN issue could be revisited prior to CN certification in September. Fernandez was open to forging creative solutions regarding CN intelligence sharing, but said any new approach would have to be worked through the Ministry of Government. He agreed that a delegation to the Department of Justice to examine USG extradition policy was best postponed until after the DOJ had made an initial review of the request regarding former President Gonzalo Sanchez de Lozada. End Summary.

¶2. (C) Charge met with Vice Foreign Minister Hugo Fernandez June 4 to discuss next steps for a second round of high-level bilateral negotiation in Washington, D.C., following initial talks May 20-21 in La Paz. Charge explained that A/S Shannon and Bolivian UN Charge Pablo Solon had discussed the possibility of conducting a second round the third week of June, but asked if a summit the second week of June would be possible. Charge also explained that the USG was pleased to receive the GOB's "framework agreement" proposal and that D.C. agencies were busily reviewing the document in the hopes of having a counterproposal, or at least comments, regarding the Bolivian draft for the next round of negotiations. Charge inquired about several recent confusing and sometimes contradictory public statements made by GOB officials regarding the timing and composition of both the next round of comprehensive talks and separate fact-finding delegations being considered to assess contentious issues such as extradition (Department of Justice), the Millennium Challenge Fund, and USAID programs. Charge also noted that the June 30 deadline for President Obama to decide to reinstate or continue suspending ATPDEA benefits is fast approaching and the GOB would need to quickly work to show progress on counternarcotics cooperation if it wanted to bolster its ATPDEA case.

Third Week in June Most Likely for Next Round of Talks

13. (C) Vice Minister Fernandez deferred to Charge Solon on details regarding the second round of talks, but said he would try to ask him about it later in the day after he returned to New York from the OAS General Assembly in Honduras. Fernandez speculated that scheduling the talks for the second week in June would be workable only if Solon was allowed to represent the GOB. Fernandez implied this was unlikely due to Solon's busy schedule and noted that he is something of a turbo-charged UN representative, responsible broadly for U.S. relations and OAS strategy, in addition to his UN duties. According to Fernandez, it would be "very difficult" to assemble a Bolivian delegation, the more likely and preferred scenario, before the third week in June. He mentioned such a delegation would include high-level representatives from the Ministries of Justice and Government and likely include Presidency Minister Juan Ramon Quintana. Fernandez promised to inform Charge of the GOB's preferences regarding the talks after discussing the matter with Solon, Quintana, and FM Choquehuanca, after he returns to Bolivia June 7.

Side Delegations After Main Talks

14. (C) Fernandez likewise agreed to coordinate with the Embassy on separate issue-specific delegations discussed at the May 20-21 talks and agreed that any delegation regarding the extradition of former Bolivian President Gonzalo "Goni" Sanchez de Lozada be postponed until after the Department of Justice completes an initial review of the case. Fernandez flatly said "people do not believe" Minister Quintana's statements that Sanchez de Lozada will "be returned in two months. What can I do if a Minister says these things?" Fernandez said the MFA understood the "long and technical nature" of the U.S. extradition process, but that such a delegation to the DOJ would help other GOB officials "understand the process with precision, instead of making predictions." MFA Director of Bilateral Affairs Jean Paul Guevara generally agreed with Fernandez, but also said it was "important to understand" that the United States could no longer avoid resolving the issue "now that we have delivered the extradition (request)." Guevara reasoned that, since the official submission of the request in November 2008, the clock is ticking and the GOB's patience for a resolution in the matter is limited.

ATPDEA Deadline May Not Be Catastrophic to Talks

15. (C) Vice Minister Fernandez discounted the prospects of providing significant new counternarcotics progress before the June 30 ATPDEA decision deadline, including even signing a relatively benign bilateral statement on shared CN commitments "This June 30 date is fatal ... (significant progress) can't be achieved." Fernandez added, however, that "perhaps this is not a big problem," as the issue could be reexamined before the September 15 CN certification decision or even in December or January, when Congress reexamines the legislation for 2010. Fernandez suggested "the United States needs to present a new (CN) agreement" at the second round of talks. He added that although an initial general statement about CN cooperation, such as the USG proposed during the May 20-21 talks, could be a positive step, "we shouldn't just be talking about principles, but developing something practical. Who will be contributing to what."

16. (C) Fernandez added that despite the unlikelihood of changing the CN bilateral dynamic, President Obama "could still look at the facts and say they (the Bolivians) are complying. If the last President said they are not complying, the new President can just say they are complying." Fernandez implied that the State Department could suggest this, as President Obama "takes advice from you." Charge explained that President Obama would look to a wide range of agencies for advice on the ATPDEA decision and reiterated that the interagency community in Washington would

have to see signs of improved cooperation to improve the chances of a reversal on ATPDEA.

Vice Minister Punts on CN Intel Sharing

¶17. (C) Fernandez was lukewarm to exploring creative alternatives to share CN intelligence and cooperate on interdiction efforts, particularly aimed at cartels, in the wake of DEA's expulsion. Fernandez did not seem averse to rethinking the issue, but noted that any decisions on CN would "ultimately be up to the Ministry of Government." He added that Government Minister Alfredo Rada was not terribly enthusiastic about CN intelligence sharing during the May 20-21 talks, an opinion he did not expect would easily change.

Questions About New A/S

¶18. (C) Guevara asked if the A/S Shannon's named replacement would be participating in the meetings and opined that this would help provide continuity. Charge explained that the A/S's replacement would not attend as he was not confirmed by Congress and would not likely be before the second round of talks. He added that the A/S was trying to move the talks as far along as possible before he left with the intent of providing the incoming A/S as much negotiating momentum as possible when he or she takes over the process.

Comment

¶19. (C) Despite a generally positive and frank discussion with VM Fernandez, Fernandez is unlikely to be able to sway other more senior officials. Fernandez gave the impression that Solon is the driver of the GOB's reengagement strategy, mentioning the Foreign Minister only once regarding the talks and as an afterthought. Given the GOB's typically weak interagency coordination, we can only hope Fernandez's position on putting parameters on the proposed DOJ trip and taking it out of the press are adopted by the GOB and that Minister Quintana gets the speaking points. End Comment.
URS